

2008 Regular and Special Legislative Session Bills Impacting the Personnel Cabinet

During the 2008 session the Personnel Cabinet was impacted by various pieces of legislation. To help ensure consistency and accuracy below you find a brief description of just how these changes will shape future services.

2008 Special Session

HB 1- Pension Reform

- The bill address the nearly \$27 billion shortfall facing the retirement systems, which cover more than 400,000 state, county and local government workers and teachers.
- Commits the state to fully fund the retirement systems by 2025 and reduces retirement benefits for future hires.
- Starting in the fiscal year that begins in July 2010, the legislature will begin to contribute incremental increases to the system.

2008 Regular Session

HB 697- Investment Advice Program, Personnel Cabinet Legislation

- Allows the Authority's board to establish a formal investment advice program for participants investing in the state sponsored 457 and 401(k) plans (including Roth and Traditional IRA accounts).
- Other provisions of the bill include language consistent with federal Tax Code requirements, permitting retirement plan assets for the exclusive benefit of plan participants and their beneficiaries, and authorizing full voting proxy for ex-officio Board members (Secretary of the Finance and Administration Cabinet, Secretary of the Personnel Cabinet, and State Controller).
- For additional information regarding the investment advice program and/or becoming a participant, please contact the Authority at 800.542.2667 or 502.573.7925 in Frankfort. Visit us online at www.kentuckydcp.com.

HB 633- Repeal of the Dental and Vision RFP, Personnel Cabinet Legislation

- Repeals HB 131, passed by the GA in the 2006 legislative session
- HB 131 provided a RPF process for additional voluntary benefits, at a group rate, to state employees at the sole cost of the state employee. During implementation, the RFP plan was not able to offer a statewide network of providers or quality assurance measures and it increased costs to the participants.
- Currently, state employees may purchase individual dental and vision insurance from certain carriers, and the state will provide for payroll deduction for these benefits.

HB406- Budget Bill

- Any employee of the Unified Prosecutorial System (UPS) who retired and came back to work for UPS since July 1, 1998 is to be credited with annual and sick leave credited under KERS rather than having to start over.
- The Office of the Attorney General and the Department of Public Advocacy may suspend block 50 payments and instead convert those hours to sick leave "if budgetary pressures warrant . . . austerity measures."

- Personnel's workers' compensation program is exempt from both bonding and excess risk insurance requirements.
- The Personnel Cabinet is to supply the Office of the State Budget Director (OSBD) with information obtained from KERS regarding retiring employees, and OSBD is to use that information to determine resulting savings and budget reductions totaling up to \$85 million for each of the next two fiscal years.
- Personnel and/or OSBD will have to provide the Interim Joint Committee on Appropriations and Revenue with records of changes in any agency's authorized personnel complement. Personnel will submit the records on a monthly basis.
- The annual increment for executive branch employees will be 1% each of the next two fiscal years.
- Personnel is authorized to collect a "benefits assessment fee" for the operation of the Cabinet not limited to the state health insurance plan.
- The State Salary and Compensation Fund is authorized to pay the General Fund cost for increased retirement rates. Personnel will need to supply the Interim Joint Committee on Appropriations and Revenue with quarterly reports on expenditures from the fund.

HB321- Public Employee Health Insurance Trust

- Provides the General Assembly with the authority to review trust fund expenditures and authorize spending for trust fund receipts.
- Outlines quarterly report content, formulary review changes, deadlines, and other administrative regulations regarding the trust.

HB330- Special meetings

- Permits a public agency to submit a written notice by electronic mail to public agency members and media organizations that have filed a written request with the public agency indicating their preference to receive electronic mail notification in lieu of notice by personal delivery, facsimile machine, or mail.
- The written request shall include the electronic mail address or addresses of the agency member or media organization.

HB 84- Group Life Insurance

- Removes the 75% participation requirement by eligible members.
- Requires eligible employees to reject coverage in writing if they choose not to be insured.
- Provides the Personnel Cabinet's Life Insurance Program the ability to acquire higher levels of dependent coverage using employee money.

HB 440- Health Insurance

- Requires health insurers to allow parents to keep unmarried children on their health plans until age 25. Parents would have to pay extra to keep adult children on their plans.

SB96- Health Insurance Coverage for Colorectal Cancer Detection

- Provides that all health benefit plans issued or renewed on or after January 1, 2009, will provide coverage for all colorectal cancer examinations and laboratory tests, specified in current American Cancer Society guidelines for colorectal cancer screening.
- Covers individuals 50 years of age and older or persons who have a high risk for colorectal cancer according to the cancer screening guidelines.

SB 131- Survivor Benefits for Adopted Children

- Details the rights of survivor benefits for active contributing KRS members or upon the death of a member retired for disability. The bill also outlines the monetary payments which the widow, unmarried children, or sole survivors will receive on a monthly basis.
- Outlines the board of trustees' rights to judge the eligibility or dependency of any beneficiary and may require formal application or information relating to eligibility or dependency, including proof of annual income satisfactory to the board.
- Applies to a child who is a legally adopted survivor at the time of the death of the member and is retroactive to include a child who was born after January 1, 1990, and is a legally adopted survivor of a member whose death occurred prior to the effective date of this Act.